NPS ARCHIVE
1964
HEPLER, F.

POSTGRADUATE EDUCATION FOR MILITARY COMPTROLLERSHIP DUTIES

FRANK M. HEPLER

Library
U. S. Naval Postgraduate School
Monterey, California

403

POSTGRADUATE EDUCATION

FOR

MILITARY COMPTROLLERSHIP DUTIES

By

Frank M. Hepler

Lieutenant Colonel, U.S. Marine Corps

Bachelor of Science

Muskingum College, 1941

A Thesis Submitted to the School of Government, Business and International Affairs of The George Washington University in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration

June 7, 1964

Thesis directed by

Karl E. Stromsem, Ph. D.

Professor of Public Administration

NPS ARCHIVE
1964
HEPLER, T.

PREFACE

A review of the theses submitted by former members of the Navy Graduate Financial Management Program reveals that none has ever attempted to review the postgraduate programs for educating future comptrollers of the three military departments--Army, Navy and Air Force.

It is believed that such a review will not only be interesting but also enlightening to many types of readers. For example, those faced with the tasks of planning and preparing curricula to best accomplish the basic educational objectives, those who are actually participating in the various programs as officer-students and those who are expected to institute course modifications as deemed necessary by those in positions of authority.

It is with the hope that the general construct of military comptrollership might be better clarified and more meaningfully defined that the author selected this particular subject for a thesis. If this work serves its intended purpose, it will have been a rewarding effort.

In the conduct of research for this document, a wide range of source materials was analyzed. Personal interviews and personal correspondence proved to be the most valuable means of obtaining some information which was not otherwise available. In the latter chapters, the personal experience of the author as a student-officer combined with a limited number of ideas of others who are currently working in the field of military comptrollership have been integrated in an attempt to give the study a practical approach.

Although a considerable number of people have contributed towards making this work possible, four in particular stand out as having been especially helpful: Major Ralph C. Antrim, Jr. (Office of Comptroller of the Army), Lt. Colonel Charles V. Manes (Office of the Comptroller of the Air Force), Commander John H. McCabe (Office of the Comptroller of the Navy), and my wife, Virginia, who has been of invaluable assistance in typing and editing the material here presented.

F.M.M.

CONTENTS

		Page
PREFACE		ii
INTRODUCTION		1
Chapter		
I.	THE LEGAL BASIS FOR MILITARY COMPTROLLERSHIP	5
	Constitution Treasury Act of 1789 Dockery Act Budget and Accounting Act of 1921 Executive Order 8248 First Hoover Commission Title IV (Public Law 216) Comptroller at the Departmental level	
II.	SERVICE CONCEPTS OF COMPTROLLERSHIP	11
	Department of the Army Army Comptrollership School Department of the Navy Navy Marine Corps Navy Graduate Financial Management Program Department of the Air Force Air Force Applied Comptrollership Course	
III.	OBJECTIVES OF COMPTROLLER EDUCATION	28
IV.	CURRICULUM CONSIDERATIONS	32
	Basic Subjects Guest Speakers Thesis Field Trips	
V.	FACILITIES, SUPERVISION AND STUDENT SELECTION	39
	Facilities Supervision Student Selection	

VI. CONCLUSIONS 45

VII. PROPOSALS FOR IMPROVEMENT 49

Reporting and Orientation
Guest Speakers
Thesis
Military Monitorship
Textbooks
Curriculum Modifications
In-House Facility

APPENDICES 56

A THE NATIONAL SECURITY ACT AMENDMENTS OF 1949 (Public Law 216, 81st Congress) approved August 10, 1949 57

B ARMY COMPTROLLERSHIP SCHOOL CURRICULUM (18 June 1963 - 30 July 1964) 66

C NAVY GRADUATE FINANCIAL MANAGEMENT PROGRAM CURRICULUM (10 June 1963 - 7 July 1964) 70

D AIR FORCE APPLIED COMPTROLLER COURSE CURRICULUM (5 August 1963 - 4 September 1964) 74

BIBLIOGRAPHY 78

INTRODUCTION

Since enactment of Public Law 216 in August 1949, each of the Services—Army, Navy and Air Force—has instituted its own unique post-graduate program for educating selected commissioned officers in the field of military comptrollership. At the present time, the Army officer-students attend Syracuse University in Syracuse, New York; the Navy personnel attend The George Washington University in Washington, D. C.; and the Air Force program is conducted at Michigan State University in East Lansing, Michigan.

As yet there has evolved no one specific "academic package" which has proved itself to be superior to the other two. In fact, each appears to have both strong and weak facets. However, there continues to be varying opinions among the military and university educational planners concerning such questions as: What subjects should be presented to provide the desirable foundations for financial management in the military establishments? How long should the formal educational process last? Should civilian institutions of higher learning be used, or should military "in-house" facilities and instructors be utilized? Should the comptrollers be educated in a relatively narrow field, or should they receive a broad range of appropriate subject matter? What are the present and projected roles of the military comptroller, and at what stage of his career is it best to initiate the educational process? These are a few of the basic issues which will be addressed in this thesis.

No attempt will be made here to determine which military department has the "best" program in effect for educating their future comptrollers.

This is a matter to be resolved by the military departments themselves. They, and only they, are in a position to ascertain whether their financial managers are performing acceptably or not. And, should the performance of graduates not be acceptable in their eyes, it is the responsibility of the department concerned to modify its educational program as necessary in order to fulfill the commitments placed upon it.

With approximately half of each annual federal budget appropriated for use by the Department of Defense, the magnitude of the comptroller's responsibilities is of sizeable proportions. The proper administration, efficient utilization and accountability of such huge sums of money require the continual attentions of personnel who have developed an extremely keen sense of managerial acumen. These men are charged with the responsibility of providing their commanders with sound advice on the proper use of available resources within the framework of legally accessible finances and they are expected to be well-qualified to perform their assigned duties.

Although the problems and responsibilities of management actually belong to every member of the military, it is those who are specially trained for such exigencies who will be best able to cope with such situations as they arise. The financial managers, because of their familiarity with management problems, are exceptionally well-equipped to become better-than-average command managers as well. So much command responsibility of modern combat units is dependent on efficient use of resources and finances that the two cannot be separated. In many cases, and particularly during the peacetime periods between wars, it is the commander who proves himself to be a good manager that ultimately earns the reputation of being a good commander. Thus, the field of military comptrollership offers a fertile

area for developing personal talents which will be of value when the opportunity arises to assume a position of command.

In the chapters to follow, the legal basis of military comptrollership will be reviewed initially. This will provide a brief historical background to show the need for military comptrollership. Next, the basic concepts and objectives of the departmental philosophies of financial management will be explored. As might be expected, these fundamental concepts do differ somewhat regardless of the uniformity of the title "Comptroller." Pertinent factors involved in the determination of the what, how, where, why and when of such postgraduate education will be dealt with in the three following chapters. The "Conclusions" portion will precede selected proposals which will be advanced for the consideration of those parties interested in educating military comptrollers. These proposals will present the ideas of an officer who is currently enrolled in one of the programs and who has always had a searching interest in matters pertaining to "operations and training."

It should be noted that, with few exceptions, the three military departments do not differ markedly in their selection of basic academic material to be presented to an officer-student in this field. However, the quality of instruction, the depth of subject study, and the emphasis on interweaving the various subjects into a meaningful whole may well vary from university to university. These are the unknown elements which can only be analyzed after actual participation in each program and such an analysis is not within the purview or the professional capability of the author.

It is noteworthy that the Office of the Secretary of Defense has not, as yet, directed the development of a standardized curriculum for the

education of all military comptrollers at the graduate level. How long this laissez faire attitude will prevail is a matter of conjecture. With the recent trends towards unification and standardization of common procedures in the name of "Service unity," it is feasible that efforts may be in the offing to establish such a curriculum.

Whether a re-evaluation or consolidation of the three programs is appropriate or advisable at this time is debatable. Certainly there should not be any major changes instituted until a thorough research study has been conducted to determine the areas of relative strength and weakness of each individual program. And, in consonance with the basic premise of financial management, no changes should be made until there is ample evidence available to indicate that such changes will result in a better product for the money expended.

CHAPTER I

THE LEGAL BASIS FOR MILITARY COMPTROLLERSHIP

In order to more fully understand and appreciate the role and functions of the military comptroller, it is helpful to have a general knowledge of the legal developments which made his existence necessary. The material to follow will briefly portray this historical development from the time of our Constitution to the passage of Public Law 216 which served as the real initiator for establishing a system of military comptrollership.

Constitution

The Constitution of the United States contains a provision which demonstrated the astute desire on the part of the framers of that famous document to maintain congressional control over the outlay of public funds:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a regular statement and account of receipts and expenditures of all public money shall be published from time to time.[1]

It is believed that Alexander Hamilton, the first Secretary of the Treasury, was instrumental in having this provision made a part of the Constitution.

Treasury Act of 1789

A few years later, the Treasury Act of 1789 provided for an auditor and a comptroller in the Department of the Treasury. Since this department

---

[1] Constitution of the United States, Art. I, Sec. 9, Clause 7.

was in the executive branch of the government, Congress did not exercise close jurisdiction over the fiscal administration of funds and relied almost entirely on the accounting officers to use their personal discretion in enforcing any legislative provisions they believed necessary. As a result, there was a gradual relaxation of congressional controls over federal expenditures during the ensuing years.

Dockery Act

From 1800 to 1900, several relatively minor laws were passed by Congress in an effort to strengthen their fiscal controls. However, there was no major legislation enacted in this regard until 1894 when the Dockery Act was passed on 31 July. This Act modernized the federal financial system and placed in effect certain reforms which had long been advocated. For example, the Office of the Comptroller of the Treasury was created, auditors were required to certify the balances in their accounts, the government departments were made responsible for administrative examination of their accounts before submission to the auditors, and the Secretary of the Treasury was required to render to Congress, on the first day of the regular session, a combined statement of the receipts and expenditures of all public money for the preceding year.

Even after passage of the Dockery Act, Congress still lacked the independent review of public fund expenditures which they desired in order to be able to effectively exercise "power of the purse" over the executive branch.

Budget and Accounting Act of 1921

A quarter of a century later, Congress finally accomplished its long-sought objective of being able to effectively control governmental

expenditures when the Budgeting and Accounting Act of 1921 was passed. One of the provisions of this Act directed the establishment of the General Accounting Office with the legal authority to conduct independent audits of governmental financial transactions and report thereon directly to Congress. To further insure that this Office would be independent of the executive branch, it was enacted into law that the Comptroller General and the Assistant Comptroller General would be appointed by the President but their terms of appointment would be for fifteen years and their removal for cause would be determined only by joint resolution of the Congress. Another major provision of this Act was the establishment of a national budget system by creation of a Bureau of the Budget whose Director would be responsible only to the President. This new Bureau was placed in the Department of the Treasury and was charged with preparing the annual budget for the President, with authority to assemble, correlate, revise, reduce, or increase the fiscal requirement estimates of the various federal departments or establishments as they deemed advisable.

Executive Order 8248

President F. D. Roosevelt, with the objective of further strengthening the fiscal controls of the executive branch, issued Executive Order 8248 on 8 September 1939.[1] This order transferred the Bureau of the Budget from the Department of the Treasury to the Executive Office of the President. This enabled the President to work more closely with his budgeting agency and improved the efficiency and timeliness of the budget system.

---

[1]United States Government Printing Office, Federal Register, Vol. 5, August 15, 1940, 2849.

First Hoover Commission

There was no further major presidential or congressional action initiated in the interests of improving financial management in the federal government until 7 July 1947, when the first Commission on Organization of the Executive Branch of the Government was created.[1] Former President Herbert Hoover was selected to serve as Chairman of this Commission which has since become popularly known as the "First Hoover Commission." The work of this group of capable and dedicated citizens concerned itself mainly with determining where and how the various government agencies could improve their organizational structure and their relationship with other agencies. The Commission particularly emphasized the need for reform in methods of budgeting, changes in the appropriations structure, and modernization of the federal accounting system.

Title IV (Public Law 216)

The First Hoover Commission expired on 12 June 1949. It was as a result of the recommendations of this commission that military comptrollership became legally established in the Department of Defense and its three military departments in 1949.[2] Ferdinand Eberstadt, Chairman of the Hoover Commission's Task Force on National Security Organization, and Wilfred J. McNeil, Special Assistant to the Secretary of Defense, were the prime contributors to the proposed legislation which became Title IV, National Security Act Amendments of 1949.

---

[1]U. S. Senate, Committee on Government Operations, Financial Management in the Federal Government. Document Number 11, 87th Cong., 1st Sess., 13 February 1961, p. 51.

[2]Ibid., p. 74.

Title IV is also referred to as Public Law 216, 81st Congress; on 10 August 1949 it was added as a new title to the National Security Act of 1947. It provided for a reorganization of fiscal management in the Department of Defense to promote efficiency and economy. For the first time, an overall fiscal structure was made possible to encourage the common use of facilities by the three military services—Army, Navy and Air Force—and to assure the application of a sound management approach in all problem areas.

In general, Title IV:

1. Provided for the establishment of a Comptroller for the Office of the Secretary of Defense and a comptroller in each of the military departments.

2. Directed that a performance-type budget be adopted by the Department of Defense with a segregation of operating and capital programs. (Note: The implementation of this provision has not yet been fully accomplished.)

3. Provided for the establishment of uniform terminologies, classifications, reporting systems, accounting and internal audit projects, and common use of disbursing facilities.

4. Authorized the establishment of working-capital funds for the organization of inventories for the three military departments into stock funds, and for the operation of industrial and commercial type activities.

5. Authorized the establishment of departmental management funds to facilitate the carrying out of joint and special operations.

6. Provided for the reports of property on a quantitative and monetary basis.

For those interested in the specific contents of Title IV, see Appendix A.

Comptroller at the Department Level

Each military department appointed a comptroller shortly after enactment of Title IV. They have functioned in the manner required by the Act in the same areas of budgetary and fiscal management as required for the Comptroller of the Department of Defense.

In the case of the Department of the Army and the Department of the Air Force, the Comptroller has been a General officer who has concurrent responsibilities to the civilian Assistant Secretary (Financial Management) as well as to the Chief of Staff. In both departments, the Deputy Comptroller is a civilian. On the other hand, in the Department of the Navy, the civilian Assistant Secretary (Financial Management) also serves as Comptroller, but his Deputy Comptroller is a Rear Admiral. Thus the objective of maintaining civilian control over the military application of public funds—a process already including congressional control of obligational authority, Bureau of the Budget power to revise fiscal estimates and the presidential appointment of Department of Defense officials—is extended even into the military department's organizational structures.

CHAPTER II

SERVICE CONCEPTS OF COMPTROLLERSHIP

Department of the Army

The Office of Army Comptroller was established on 2 January 1948, eighteen months before Title IV was enacted into law. Initially this Office was directed to improve budgeting, accounting and reporting procedures, and to evaluate the various general staff functions as they related to the business management of the Army.

After the enactment of Public Law 216, the Department of the Army explored different methods of preparing officers for future duties as comptrollers. One of the most important questions to be answered was whether the comptroller should be educated as a specialist or would he be better able to serve his commander as a generalist familiar with all aspects of his organization? Several advantages appeared to favor the concept of specialization,[1] namely:

1. Specialization would result in more expertise and consequent improved efficiency.

2. Assignments would remain in a relatively limited field.

3. Standards of selection and training could more easily be determined.

4. Personnel educated in the general area of business in college would be more readily attracted to this branch of military specialization. On

---

[1] "Briefing for Comptroller of the Army Concerning Establishment of a Comptroller Officer Specialization Program." 6 June 1962.

the other hand, several factors appeared to influence the educational process towards generalization, for instance:

a. The establishment of a specialist corps for comptrollers would tend to disqualify them from participation and status as general staff officers.

b. Many well-qualified officers have no desire to specialize as it channelizes their careers.

c. The paucity of general officer billets available in the comptroller area would deter many officers from seeking entry into a specialist type of program.

d. Selected officers would be extremely limited in the range of future assignments they could expect.

e. Combat arms officers would not be attracted to the field, especially in their earlier career years.

f. The opportunities for senior schooling would be diminished.

After thoroughly testing and evaluating all pertinent "pros" and "cons" on the issue, it was decided that the specialist concept might be more dramatic and produce quicker results in management efficiency but the generalist concept would be more desirable over the long term and would result in better overall command management. Therefore, Army official publications commenced stressing the desirability of officers with a wide range of military knowledge for comptroller assignments and, at the same time, rejected the popular misconception that comptroller functions required a high degree of technical knowledge. This move served to influence many officers to apply for assignment to comptroller billets and thus helped solve the problem of involuntary repetitive tours for some who had previously served as command comptrollers against their personal desires.

While serving as Chief of Staff of the U. S. Army, General George H. Decker (formerly Comptroller of the Army), in a letter to major commanders on the subject of comptroller functions and qualifications, stated:

> As I see it, his job is to help his commander review total resources requirements, integrate and balance programs and compare accomplishments with resources consumed. He can and should play a significant role in improving management processes. With regard to comptroller qualifications, it appears that we are developing a small group of officer specialists, knowledgeable in fiscal matters, who move from assignment to assignment in the comptroller area . . . . What we need are comptrollers who have the broad background of other General Staff Officers and who possess a deep understanding of command problems. . . . I am convinced we should give greater opportunity to many combat arms officers, particularly in the grade of major and lieutenant colonel, to broaden their experience in total management by assignment to comptroller positions. These officers can use the knowledge and experiences they gain in all subsequent assignments, particularly at high levels where programming and budgeting matters require considerable attention. . . . Any actions which you can take over the next few years to develop outstanding combat arms officers by comptroller assignments will be deeply appreciated.[1]

The effect of General Decker's letter and the articles in Army publications have now become evident. "New blood" is gradually finding its way into comptroller positions on the various staff levels and a small but steady flow of officers from all branches of the Army is progressing through the postgraduate program at Syracuse University which continues to provide an annual pool of approximately thirty officers for comptroller duties, with almost half of these personnel being combat arms officers. This select group exerts a noticeable leavening effect upon officers with whom they come in contact while serving in comptroller, staff or commanding officer billets.

---

[1]George Decker, General, USA. Letter to major commanders while serving as Chief of Staff of the Army, 19 October 1961.

The Army commander looks to the comptroller for professional advice on the best coordination and utilization of all available resources of his command. These include men, money, material, facilities and time. Thus the comptroller is in the field of total management, of which financial management is an important but not all-important element. While the interests of the other staff members are related to specific functional areas, his interests encompass all functions and all activities.[1] He participates in forecasting resource requirements, obtaining those necessary resources and then analyzing their utilization to determine whether they have been used properly to help accomplish the mission of the command.

In the Army a comptroller is a member of the general staff of the commander or he occupies a comparable position if no general staff exists in the organization to which he is assigned. It is his responsibility to assure that a timely and adequate flow of information pertaining to management efficiency is generated and analyzed for the commander in order that he may manage his organization with maximum effectiveness. Under the staff responsibility of comptrollers at all levels are the fiscal activities commonly performed by Fiscal and Accounting [F&A] specialist personnel.

The comptroller's primary responsibility is to advise the commander on past, present and proposed use of resources to promote effectiveness, efficiency and economy in accomplishing the command's assigned missions. He is the commander's principal staff officer with respect to budgeting, progress and statistical reporting and analysis, management engineering, finance, accounting, data processing and internal controls. Immune from influences other than the good of the command as a whole, the comptroller

---

[1] Department of the Army, Concept and Scope of the Comptroller Function in the Army, 1 May 1963, p. 1.

is the staff element with the mission of making a composite review of past and present activities and recommending future courses of action. He is an advisor on the general management of the command as a whole and a provider of specialized services to all.[1]

The successful development of the Army's generalist type comptroller concept has proved that an intimate knowledge and understanding of the needs and problems of subordinate units is one of the most valuable assets an officer can develop if he aspires to become comptroller of a command at any level.

Army Comptrollership School

In order to form a nucleus of personnel who would be academically qualified to implement the above concepts, the Army Comptrollership School was established at Syracuse University in 1952. This graduate-level course of instruction has been developed by the university, with considerable assistance from the Army, to adapt a standard program to conform to the special needs of the military. In so doing, the following objectives have been sought:

1. Development of a program to provide students with a knowledge of both military and industrial management techniques.
2. A civilian surveillance-type program where all aspects of the subject can be explored without undue regard for current "Army thinking."
3. A faculty willing to visit military installations to develop appropriate teaching material and conduct liaison with Army

---

[1] U. S. Army Finance School. Hand-out for Course C-310.78:1.

comptroller personnel. The Army has established an annual research fund of twenty thousand dollars for this purpose.

4. As a part of the integrated Army schooling system, to award a Master's degree in Business Administration to those who successfully complete the course and satisfy the university's academic requirement for that degree.[1]

It is not the intent of the course to produce "trained" comptrollers upon the completion of this fourteen months' program. Both the university and the Department of the Army feel that vocational type training for specific comptroller assignments can be accomplished much more readily at Army "in-house" training courses. However, this graduate-level program is believed to offer the best means of enlarging and enhancing the students' comprehension of matters pertaining to the general field of comptrollership.[2]

Applicants are selected by Career Management from both field and technical services. Civilian personnel have been assigned as students since 1959. Selection is usually based on: (1) an expressed interest to be assigned to further training, and (2) academic eligibility for a master's degree. The rank of the officers varies from 1st Lieutenant to Lt. Colonel, with the majority being of field grade. The officers' experience ranges from complete unfamiliarity with this field to actual on-the-job experience in a comptroller's office. The civilians have been of grade GS-11 or above and usually have had considerable experience within some phase of financial management.

---

[1]Syracuse University. Resume of the Army Comptrollership School and Calendar of 1964-1965 Program, p. 2.

[2]Syracuse University. Personal correspondence from James B. Quill, Major General, USA (Ret.), Director, Army Comptrollership School, 17 February 1964.

Upon completion of the program, the graduates are normally assigned to the Office of the Comptroller of the Army, a continental army headquarters, or an installation for three years in the financial management area. The civilian participants are usually expected to return to their sponsoring headquarters. It is believed that the Syracuse training in comptrollership will enable all participating officers to prove substantially more effective in their command responsibilities whether or not they receive comptrollership assignments immediately after graduation. This belief in the lasting benefits of the Army's Syracuse program is premised on the conviction that a knowledge of management is one of the most valuable assets a military officer can acquire.

Details concerning the thirteen-month curriculum for 1963-1964 are outlined in Appendix B.

Department of the Navy

Navy

While the Navy was the last military department to adopt the title of comptroller, it was actually the first to integrate related financial functions. In December 1944, a Fiscal Director was appointed by the then-Secretary of the Navy, James Forrestal. The assignment handed this appointee was to "formulate, establish, supervise and coordinate all policies and procedures affecting the finance, budgeting, accounting and auditing activities of the Navy Department."

The impact of the Navy's contribution to military comptrollership can be better appreciated when it is realized that this first Fiscal Director was Wilfred J. McNeil. On 18 September 1947, Mr. McNeil was appointed Special Assistant to the Secretary of Defense [Mr. Forrestal] for financial

and administrative matters. After enactment of Title IV in 1949, Mr. McNeil was appointed Assistant Secretary of Defense (Comptroller) and his experience in Navy financial matters contributed substantially towards his shaping of comptrollership in the Department of Defense during his tenure which lasted until 1959.

Unlike the Army and the Air Force, the civilian Assistant Secretary of the Navy (Financial Management) also serves as Comptroller of the Navy. His Deputy Comptroller is a Rear Admiral. As Comptroller he is the senior staff financial advisor to the Secretary of the Navy. This appointment of a member of the Secretariat as Comptroller assures the Secretary of objective advice with regard to the financial matters of his two Services, the Navy and the Marine Corps. Although he could be assigned concurrent responsibility to the Chief of Naval Operations, the Assistant Secretary has never been given such responsibility as has been done in the Army and the Air Force.

Each Navy bureau and each major office concerned with budgeting for and administration of appropriated funds, has established a comptroller organization generally paralleling the organization of the Comptroller of the Navy, with regard to budgeting and accounting matters. Major shore activities such as shipyards, Naval Stations and Naval Air Stations, and some major Fleet Commands which administer funds, have established similar organizations to perform the financial management functions at their respective levels.[1] Smaller commands generally assign a Supply Officer the collateral duty of handling financial management staff functions.

---

[1] Department of the Navy, Financial Management Study: Vol. II, Study 7 of 7 Studies. (NAVEXOS P 2446 B-7), 26 October 1962, p. 16.

All of the comptroller organizations have one thing in common—they are staff organizations to assist line management in the area of financial management. There is no direct chain of command nor exclusive line of communications from one echelon of comptrollers to another—each exists only to provide staff service to its commander and is answerable only to him.

Comptrollership, in the Navy, is the staff function involving the formulation of principles and procedures in the areas of budgeting, accounting, auditing, and progress and statistical reporting to the end that planning and operating requirements of management may be met with economy and efficiency. It is that part of management that deals with financial matters—with those analyses, forecasts, records, reports and procedures that have a bearing on the organization's financial status in relation to its mission or goal.[1]

Marine Corps

Although not generally known, the Marine Corps is a separate Service within the Department of the Navy. The Commandant is directly responsible to the Secretary of the Navy in the same manner as is the Chief of Naval Operations. He enjoys co-equal status with the members of the Joint Chiefs of Staff on any matters pertaining to the Marine Corps. As top commander of his Service, the Commandant is also responsible for the financial management of his organization and the burden of maximum effective utilization of resources falls within that purview.

---

[1]Office of the Secretary of Defense. Study of Management Education and Training Within the Armed Forces: Part III, General Long Course Task Group Report. 8 February 1963.

It is of interest to note that the 22nd Commandant (January 1960 - January 1964), General David M. Shoup, was the first officer to be assigned as Fiscal Director (July 1953) of the Corps. Obviously, the experience he gained in financial management did not interfere with his rapid promotional advancement from Colonel to four star General rank in a span of less than seven years!

Financial management in the Marine Corps developed fully after the War in Korea ended. Various directives were promulgated to establish required comptroller functions, commanders were continually counseled to maximize their available resources and comptroller billets were designated for all major commands to provide advice to commanders on the best employment of their available finances.

The Marine Corps concept of comptrollership is very similar to that of the Army. It is considered that duty as a comptroller is of major value for prospective commanders. Furthermore, this function should be assigned to an officer with broad knowledge of the problems and missions of subordinate units when possible. There is no intent to form a specialized group of officers who continually perform comptroller duties only, as stated in a currently effective directive:

> It is the policy of the Commandant that no "corps of comptrollers" be created in the Marine Corps. To prevent the inadvertent development of such a "corps," no unrestricted officer will be assigned to fiscal billets consecutively to the exclusion of assignment in other fields, merely on the basis of prior experience. While it is recognized that this policy may not promote the maximum development of technical skills in financial management, the Marine Corps will derive greater value by assigning as comptrollers officers with broad staff and command experience in operating programs, problems, and general administrative responsibilities. In the assignment of

officers to comptroller duties, commanders should not place undue emphasis on an officer's facility in accounting procedures as an indication of suitability for the broader responsibilities of duty as a Comptroller.[1]

Navy Graduate Financial
Management Program

In an effort to better qualify selected officers in the field of comptrollership, the Navy Department believed that an education at a civilian university was advisable for them. Therefore, the first Navy program in comptrollership was initiated at The George Washington University in academic year 1951-1952 as a two-semester course. It has always been conducted under the general cognizance of the Naval Postgraduate School at Monterey, California, and is monitored by the Office of the Navy Comptroller. The purpose of the course is to provide a broad academic interpretation to the various provisions of Public Law 216.[2]

Navy, Marine Corps, Coast Guard and Royal Canadian Army officers have completed the course of instruction. Those having a baccalaureate on entering the program are awarded a Master of Business Administration degree upon successful completion. For the very few who do not hold a baccalaureate, only a Certificate of Comptrollership is awarded.

Officers of the rank of Lieutenant to Captain in the Navy and 1st Lieutenant to Colonel in the Marine Corps have been assigned to the program. It is designed to impart a "new way of thinking" in the mental processes of the officer-students, rather than a "how to do it" attitude.

---

[1] U. S. Marine Corps, Marine Corps Order 5420.2B, 24 August 1962, p. 2.

[2] A. Rex Johnson, "The Navy Graduate Comptrollership Program," A report delivered to incoming Dean Woodruff of The George Washington University in April 1958.

Frequently, executives from government, the military and private industry are scheduled as guest speakers. These presentations have been well-received by the students and are quite effective in vitalizing the program.

Textbooks and thesis expenses are paid from funds allocated by the Department of the Navy to the university under provisions of the contract. A sizeable reference library of former textbooks has been formed in the single classroom where all academic instruction is received.

Although some modifications have been made in the course, it remains essentially as originally planned—a broad scope type of curriculum with emphasis on management of financial resources. In recent years, a field trip to visit major corporations in New York City and a four-day seminar in automatic data processing procedures have added spice to the program.

Upon graduation, some officers are assigned to comptroller-type billets and others are not placed in such duties until a later tour. But, regardless of where they serve, all graduates have a vastly improved potential for properly managing military funds at any level of command.

Appendix C contains the specific twelve-month curriculum for academic year 1963-1964.

Department of the Air Force

The youngest of our military departments has the distinction of being the first to have a Comptroller per se. Their Office of the Air Comptroller was established as an office reporting directly to the Deputy Commander, Army Air Force on 7 June 1946. After the National Security Act of 1947 established the Department of the Air Force, this office was redesignated as Comptroller, U. S. Air Force in December 1947.

The recognition of the comptroller function as a major staff activity for all echelons of command of the Air Force was amply demonstrated by a series of regulations promulgated between October 1948 and July 1949. These regulations directed the establishment of comptroller staff sections at all major air commands, all numbered air forces and all wings or their equivalents.

It was this pioneering effort for improved financial management on the part of the Air Force that gave added impetus to congressional desire for establishment of the comptrollership function throughout all military departments. This objective was accomplished by enactment of Title IV in August 1949.

Of the three military departments, the Air Force is the only one that gives recognition to comptrollership as a career field. Whereas the Army and Navy select officers for these duties knowing that they will be assigned as comptrollers only during a part of their future service careers, the Air Force emphasizes the fact that they prefer officers to make a military career of comptrollership once they enter it as a specialized profession. Herein lies the fundamental difference in the positions of the Services regarding the field of financial management.

The Comptroller of the Air Force is established under the direction and supervision of the Assistant Secretary of the Air Force (Financial Management) and has concurrent responsibility to the Chief of Staff.[1] The basic objective of the Comptroller is to effectively support the Air Force by determining the value of effectiveness contributed by proposed new

---

[1]U. S. Air Force, Qualitative Educational Requirements for Comptroller Area. Air Force Educational Requirements Board, Maxwell Air Force Base, Alabama, 10 May 1962, p. 107.

concepts, weapons systems, organizational changes and techniques of management. Any opportunities for significant and worthwhile changes are actively pursued and exploited. However, change merely for the sake of change has no place in the organization generally nor in the field of comptrollership in particular.

As more complex and costly weapons find their way into the Air Force, it becomes more and more essential that comptrollers be assigned who have been professionally educated and equipped by experience to make wise judgments in the face of difficult and costly choices. Technological advancements in weaponry, increased utilization of automatic data processing equipment, recognition of the contributions made possible by improved management methods, expanded application of the "Program-Package" concept of military budgeting, and increased attention to the management aspects of all operations—these are but a few of the contributing factors which make it mandatory that competent and well-educated officers be placed in comptroller billets at all levels of command.

The Air Force career development plan for comptrollers generally proceeds in the following manner.[1] Newly commissioned officers receive training in Accounting and Finance, Data Systems and Statistics or Electronic Data Processing at Sheppard Air Force Base, Texas. They then receive two to three years of on-the-job training in their chosen specialty at the base level. Following this Basic Phase, the comptroller-trainee broadens his competence at the base level by qualifying in a second specialty which may include Budgeting or Management Analysis. By this time, the officer

---

[1]U. S. Air Force, Air Force Pamphlet 36-1-2 (Officer Career Fact Book), 15 July 1963, p. 71.

has approximately seven years in the Service and is a Captain. Next comes the Development Phase when assignments at base or numbered air force levels are appropriate. Duties could involve any specialty in which qualified, and the officer should make every effort to broaden his career patterns by supplementing his knowledge in a Technical Career Area and by making every effort feasible to complete academic work for a master's degree. As a Lt. Colonel or Colonel, during the Staff Phase, assignments as wing or division comptroller or staff duty at a numbered air force or at Headquarters, USAF, would be in order. If a master's degree has not been earned by this time, chances for further advancement in rank are considerably diminished. As a General officer, advanced assignments in comptrollership or in top-level management may be expected and multi-command experience is most beneficial for optimum personal development and career maturity.

In order to be qualified as an Air Force comptroller, officers must have a knowledge of the art of management and a general understanding of fiscal processes in the military establishment. A baccalaureate degree in business administration is mandatory and a master's degree in business is desirable. Personnel must be fully qualified in two or more of the following specialties and have a good working knowledge of the remainder:

Accounting and Finance

Audit

Automatic Data Processing

Budget

Management Analysis

Statistical Services[1]

---

[1]U. S. Air Force, Air Force Manual 36-1 (Officer Classification Manual), 15 April 1963, p. 00-12.

Although the comptroller is a major executive and a member of the top management team at each echelon of the Air Force, his primary function is one of service. Among more important tasks are such duties as keeping the commander and his staff informed on the broad picture of the command, coordinating basic programs and budgets, preparing and issuing special reports and providing the staff with standardized methods for evaluating their own operations. As can be seen, the character of these responsibilities is to render service and to provide adequate and timely information to officials responsible for operations.

Air Force Applied Comptrollership Course

Several educational sites and programs were used by the Air Force in their efforts to more professionally implement their concepts on Comptrollership. Currently, Michigan State University is the institution of higher learning being utilized for this purpose.

The first comptroller class convened at Michigan State University in the summer of 1960. Modification of the curriculum from year to year has resulted in a continual improvement of the program to suit the needs of the Air Force.

Entrants to the Air Force Applied Comptrollership program are normally Majors and Captains from any of the Comptroller career fields. One calendar year, based on the four quarters system, is required for the program. Because of their varied backgrounds, entrants are brought in six weeks early for an intensive noncredit review program which covers the equivalent of two years of undergraduate mathematics, statistics and accounting. Students are thereby able to undertake graduate courses in quantitative methods and accounting.

All classes intermix the officers with other civilian candidates for an MBA degree with the exception of "Fiscal Policy and Procedures in Federal Government." This course is conducted with the assistance of the Comptroller of the Air Force and his Directors who provide an overview of comptrollership philosophy and the long-run view of the function performed by each directorate. Command-level and base-level officers also participate in teaching this course, bringing an application viewpoint of fiscal procedures.[1] In connection with this course, students prepare a "staff study" paper in which they attempt to apply learned techniques to the solution of some comptroller problem of their own experience.

Although the students are accounting majors, the program aims towards preparation of the comptroller as an accounting manager, not an accounting technician. There is heavy emphasis on oral and written presentations. In addition, students learn Fortran program-writing in order to run class model building problems on a recently installed CDC 3600 computor. The "core" subjects of administration, research, methodology, control and economics are required as well as a sound examination of accounting theory. One comprehensive final examination covers all courses pertaining to the accounting field, and a second covers all "core" material of a general management nature. See Appendix D for details of the thirteen-month current curriculum.

---

[1] Michigan State University. Personal correspondence from Professor Gardner M. Jones, Director, Air Force Comptrollership School, 25 February 1964.

CHAPTER III

OBJECTIVES OF COMPTROLLER EDUCATION

Before proceeding to a consideration of the related factors involved in the postgraduate education of military comptrollers, it would be well to determine what objectives should be attained by such a program. What goals are desired, if you will. Although each Service has its own conception of what duties its comptrollers should perform, there are some common elements that permit the formation of a basic framework on which to build their educational requirements. The material to follow will examine a few of those common objectives but not necessarily in order of their importance, for to determine the relative importance of each would be an impossible task.

Inasmuch as all military comptrollers are charged with the responsibility of being advisors to their commanders and fellow staff members on the best use of available resources, it is apparent that they must have a sound knowledge of good business management principles. With the Department of Defense assigned an annual budget of about fifty billion dollars in recent years, there is no question but that it falls in the category of "big business." The comptrollers assigned must be educated in such a manner that their advice on utilization of publicly appropriated funds is readily sought and adhered to when practicable. And it is in the classroom, under competent instruction, that the knowledge of management principles can be learned most expeditiously and most cheaply.

A second educational objective is that of developing in the officers concerned an insight and familiarity with how best to analyze or diagnose problems, separate the component parts, then reconstruct the entire system in order to arrive at a better solution than the original. This is a particularly difficult mission and can be attained only slowly after exposing the personnel to many problem-situations and then evaluating, or, better still, allowing their classmates to evaluate the solutions which they recommend. Analysis of case studies where there is no "the answer" but only "an answer" is especially useful in development of this talent.

As a result of oral presentations, round-table discussions and written reports, the student is expected to improve his ability to communicate more effectively. Managerial communications procedures should be practiced until they become habitual. This strengthened communicative capability normally results in improved self-confidence. It is only by speaking or writing his thoughts well that a comptroller can perform his duties as an advisor in an efficient manner. With classmates ready, willing and able to constructively criticize his contributions, the prospective controller usually makes every possible effort to cultivate the asset of speaking and writing with force and purpose.

Whereas other officers ordinarily function vertically and largely confine their actions to a single element of the organization, the comptroller must learn how to function in a horizontal direction, cutting across organizational lines as necessary in order to mesh the application of resources in the best manner possible. He is expected to do this with maximum effectiveness and a minimum of distraction to other staff functioning processes. This is a large order to accomplish. However, if the educational

program is organized and presented properly, the students do develop a broader perceptiveness and a greater appreciation of the problems of others with whom they associate. This "personality expansion" is of considerable assistance when the time arrives for them to study command-wide situations which require corrective action on the part of other members of the staff as well as themselves.

Still another goal is the development on the part of every student of an "open mind"—a spirit of receptiveness rather than a rejection of fresh ideas presented for further exploration. New techniques, new methods, new procedures—all should be constantly exploited in an attempt to improve the status of the entire command. If a comptroller reaches a point where he no longer is willing to evaluate carefully new ways of doing things, then he should vacate his position and make way for someone who has a more progressive attitude and who refuses to believe, as he does, that further improvement is impossible.

Last, but far from least, a prospective comptroller must be exposed to those technical and academic subjects which will constitute the "tools" for use in his future assignment. This does not imply that he would be expected to become an expert with them while under instruction but he would be expected to know the basic fundamentals involved in their employment. Such representative subjects as military budgeting, statistical presentation, organization and management (private enterprise and military), and automatic data processing fall within this category.

The educational program for military comptrollers should not be expected to produce a trained expert in any specific area of specialization, but it should be expected to provide a broad academic base on which the

selected officers can further build their professional talents as they encounter new and changing situations which require varying allocations of available command resources.

CHAPTER IV

CURRICULUM CONSIDERATIONS

Having determined what the general objectives of the comptroller education consist of, it now becomes obvious that attention should be focused on those elements which are essential to the proper conduct of the program. What must be taught to attain our desired goals? Where will the "school" be located, and who will instruct? What supervision is deemed necessary and appropriate? On what basis shall we select the officers who will be students? These are but a few of the factors involved.

It is obvious that not all relative factors can be examined here. However, it is believed that a general approach to these considerations might be outlined and thus shed new light on the situation as it exists today.

Since this course of instruction is expected to cover a wide variety of subjects in order to accomplish the desired educational objectives, it is readily apparent that the curriculum must be "tailored" to meet the needs of military comptrollership in particular. None of the military departments can afford to lose the services of a group of officer-students for approximately one year and not have them return to duty better prepared professionally than when they departed. Not only are their services lost during the academic period but the payment of salaries must continue whether the person is in school or with his parent command. So it is an expensive proposition and the course must be so programmed and conducted that the graduates, and

the Services, will be able to reap worthwhile benefits over the long term. The most effective way to accomplish this is to assure that the curriculum is so designed that there is no wasted effort expended in areas which have little or no relationship to the educational goals originally established. If secondary subjects are included merely for supplemental purposes, they should be replaced with others that more directly relate to the assigned mission of the program.

Basic Subjects

As pointed out in chapter II, each military department has its own individual concept of comptrollership and what its place should be in the organizational structure. Therefore, it is understandable why the comptroller course curricula at the three contract universities vary somewhat. Whereas the Air Force believes in comptroller specialization and emphasizes the more technical subjects such as mathematics, automatic data processing, operations research and accounting, the Army has the generalist concept for its comptrollers and stresses the managerial aspects of the job. The Navy takes a "middle of the road" approach and covers a broad range of subjects.

Surely no one is qualified to dogmatically state "this is what must be taught in a postgraduate course of instruction designed to educate officers for military comptroller duties." However, there do seem to be certain subjects that are common to all three curricula. Economics, budgeting, organization and management, automatic data processing, statistics and accounting are examples of the commonality fields.

Just how deeply the Services feel these assigned subjects should be explored is strictly a matter for their own choosing. And it is a

responsibility of those planning these programs to assure themselves that the public funds being used to educate these selected officers is producing optimum results. This evaluation procedure should not only be continuous and thorough at the working level, it should also be reviewed in detail by those responsible for financial management at the highest levels of the military departments.

In addition to the subjects referred to above as being common to all military comptroller postgraduate curricula, there are also others which have a place in such programs. For example, Management Communications, Human Relations, Survey of Auditing, and Managerial Mathematics all would serve a useful purpose in helping to prepare officers for duties in such a profession.

Possibly the most limiting factor in the determination of an optimum program to follow is not necessarily what should be taught but rather what is the best to teach within the time span permitted. Time is as valuable a resource as men, money and material, so it, too, must be used wisely.

Aside from the basic subjects that must be included in the course, there are other related elements to be recognized in planning a suitable curriculum. For example, What place will guest speakers play? Should a thesis be required? and Are field trips worthwhile?

Guest Speakers

Guest speakers add a flavor to the course that cannot be realized by any other means. When a man who is a recognized authority in his chosen field of endeavor addresses a class of students, they unconsciously project themselves into his psychological being. Unless he is an extreme bore, and this happens infrequently, the students have an opportunity to observe at

first-hand his mental processes and personal experiences at work. Often the matter being discussed will tie together several bits and pieces of knowledge that the students have absorbed from their classroom work but have not until now been able to mold into a meaningful, integrated concept. They have the golden opportunity of being able to "ride along" while the speaker carries them over hurdles that he has encountered in his own line of work. Perhaps he explains how his organization diagnosed a specific business or military problem and how the participants together arrived at a better solution than the original. If a questioning period is included in these sessions, the manner in which these men can "field" questions is impressive. Astuteness, expertise and ability to communicate seem to be traits which they all have in common. Yes, guest speakers do serve a useful purpose in this program. By their example, they provide high standards which the students strive to emulate in their own work.

Two considerations that bear mentioning in regard to speakers are: (1) the mistake of having only one stratum of management represented should be avoided, and (2) if speakers are scheduled too frequently they lose some of their appeal to the students. The speakers should not be exclusively from the Washington level of government; they should not be predominantly from any one branch of the Service; and they should not be from only a select few industries. A well-rounded program requires presentations from personnel assigned at the military installation levels as well as the Washington levels; it requires an insight into the financial management systems existing in all three military departments, and it should include a wide range of speakers from private industry. In order to provide the

students with the broad spectrum of knowledge which they and their Services have every right to expect from such a program, these factors should be considered in the planning for guest speakers.

Thesis

Some universities feel that an individually written thesis is a "must" before a master's degree can be granted. The fact that this type of research document is not required by all universities is, in itself, significant in regard to the educational value attached to it by our institutions of higher learning. Of the three universities now contracted for post-graduate military comptrollership education, only The George Washington University (Navy) still retains the thesis requirement. Syracuse University (Army), and Michigan State (Air Force) both consider that such research efforts are unnecessary in order for students to prove that they are qualified for the Master of Business Administration degree.

It may be rightfully argued by the thesis advocates that the planning, organization, and compilation of a thesis is well worth the effort expended. However, the time (primarily) and the labor (secondarily) that are necessary for such a research paper might be put to better use in other study areas which are often of necessity neglected in order to complete the thesis and satisfy that particular requirement for graduation. Usually the academic year is well along before the average student is even familiar enough with the course subject matter to have a firm idea of what specific subject he would like to explore with personal research. Then there follows a series of time and labor consuming processes during which the student attempts to collect and amalgamate appropriate references, conduct personal interviews, organize his materials and have his thesis typed for inspection

and approval, or disapproval, of his faculty counselor. Although other class assignments continue unabated, the spectre of the thesis continually hangs over the student's head until the project is completed.

At this stage of his professional education it may be more educational for the student to be required to research and explore a number of different subjects rather than to go into great detail on a single subject. A requirement for him to complete several research papers of 2,000 to 3,000 words could result in a broader education than a requirement to complete a thesis on one particular subject but in the magnitude of perhaps 12,000 to 25,000 words. However, there are many universities which feel that the writing of a thesis gives the student a lesson in educational objectivity which is unattainable by any other means.

Field Trips

At least once, and preferably two or three times, during the academic year there should be field trips scheduled and all students should be required to attend. Such periodic diversions create additional class enthusiasm, help to foster a group esprit de corps, and give the participants an opportunity to observe in application many of the principles learned in the classroom. Often these trips provide a "binder" which is of more permanent usefulness than hours spent in the academic environment. There is no doubt that field trips provide a valuable supplement to the basic program.

Advance planning in detail is mandatory in order to minimize the distractions of irrelevant incidentals during the trip. This also allows maximum time at the actual site of operations. Government transportation

should be used if available, unless commercial means can be obtained more cheaply. The length of these trips would be determined partially by the distance involved, but it is not recommended that they extend longer than two or three days, because of the per diem expenses involved.

Inasmuch as one of the desired educational objectives is a firm foundation in sound business principles, it behooves those in charge of the program to schedule trips to private enterprises which have displayed sound operating principles. Departmental tours and seminar discussions with the Comptrollers and other members of top management are sources of enlightenment and enjoyment to the class as well as the host corporation executives.

CHAPTER V

FACILITIES, SUPERVISION AND STUDENT SELECTION

Facilities

Whether the comptrollership course should be taught in a university or with Service facilities is dependent on which of the two is most capable of turning out the best product for the money expended. If the graduate is educated for less money by one process but does not prove to be a profitable long-term asset, is he then a "better product for the money?"

Universities have the physical plant needed for academic endeavors and they have well-educated instructors on their faculty staffs. Whether some faculty members have the practical experience to support their theoretical teachings is occasionally open to question. And, at a civilian university there is a freedom from "military thinking" that might well be exploited when the time comes to educate a comptroller who is expected to think like a military man but use the management principles advocated and employed by private enterprise.

A factor to be considered in selecting an educational site for such a program is "Can a master's degree be awarded on completion?" The degree in itself signifies only that a certain educational level has been attained, but the prestige accompanying the degree is considerable. The military, like their civilian counterparts, have realized that academic degrees automatically convey on the bearer a certain amount of respect and confidence.

If the Services desire to maintain their status co-equal with their private enterprise constituents, they should make every effort to graduate as many officers as possible with advanced academic degrees. Thus, it seems wise to select a site where the appropriate degree may be conferred with legal sanction.

Other factors worthy of attention in the selection of an appropriate site are:

(1) availability of housing for the student and his dependents

(2) distance to a military airfield where students who are on flight orders can accomplish their flight-time

(3) availability of government medical facilities, commissaries, and exchanges

(4) adequacy of library facilities for postgraduate-type studies

(5) proximity of government and military headquarters for the conduct of necessary research, and

(6) availability of authoritative guest speakers in the area.

Supervision

The educational objectives cannot be attained unless the program has a supervisor who knows (1) exactly what is expected of the students, and (2) the officials to whom he can turn in time of need for further counsel. The director of the program must be given specific guidance as to what he is to accomplish, how it is to be accomplished, and why it is to be accomplished. He should be a participating member of any group involved in planning the program or modifying it in hopes of improvement.

If the course is taught at a civilian institution, the military department would be wise to operate on a short term (one to two years) renewable contract. In this manner, if any disagreements arose there would be a minimum of difficulty encountered in remedying the situation immediately upon occurrence.

A schedule of events should be distributed to the students early in the program. Such a schedule would reveal the direction of the program and when each landmark would be reached. It would also provide the students with a complete picture of their program and give them the opportunity to plan their future work in an orderly manner.

A class of the size normally attending one of these courses is of such magnitude that the supervising authority should not be burdened with additional duties such as teaching other classes or serving as counselor to other students. Directing the efforts of some 25 to 30 graduate students is a full-time assignment in itself. The program director must have adequate clerical personnel and office equipment to conduct efficiently the necessary administrative work-load imposed upon his office.

The program supervisor would profit by becoming familiar with the military organization whose officers he is entrusted to educate. This means that a reasonable amount of his time should be utilized in liaison trips to the various levels of command within that military department. He should become generally aware of the financial management procedures in force at all levels of the organization. Only by so doing will his tasks of coordinating the program become jelled into a meaningful mission. Only by actually seeing the prevailing conditions can the director get a true mental image of the picture he is attempting to clarify for the students.

Above all, the program supervisor must constantly bear in mind that this is not an ordinary group of graduate students. These men who have voluntarily chosen the military Service as their life's work have learned to place loyalty to country and duty ahead of loyalty to the "almighty dollar," which they are now being instructed to manage. Many of these men have engaged in combat and have profited immensely from the lessons there learned. They have possibly had more experience with human and material resources than some of the instructors assigned to teach them in this course. In addition, these students in most cases have family responsibilities, homes to maintain and children to rear. All of which adds up to the fact that they will probably have to work harder than regular graduate students in order to complete the program satisfactorily. The director would be well advised to impress these facts on the faculty members responsible for presenting the various courses in the program.

Student Selection

Many hours have been spent in attempting to determine what officers should be selected for future comptroller trainees. Rank, time in Service, background—all are important relative factors. Let us examine them more closely.

Rank does not directly relate to intelligence; it does relate to experience. If the graduate is going to be assigned to staff duties in comptrollership immediately after completing this course, he should be of the rank currently assigned that billet by current tables of organization. You do not send a Lieutenant or a Captain to occupy a billet which calls for a Lt. Colonel or a Colonel, regardless of how intelligent or well-educated he

may be. The Selection Boards that choose the officers to undertake this educational program should be provided with data which will assist them in knowing what ranks are in need of comptrollers and where the graduates will most likely be assigned upon graduation. This would help the Board considerably in making equitable selections.

With the present voluntary retirement regulations being what they are, a commissioned officer may request such retirement after having served twenty years on active duty. Therefore, it is reasonable to put a top ceiling of seventeen years active duty on the student-selectees as of the time they complete the course. This will ensure that they have sufficient time remaining after graduation to serve as comptrollers and, in a way, repay the government for their graduate education. In this regard, a minimum of three years of obligated service appears to be an equitable term for all officers who are selected for this program. This is a sufficiently long contract to enable the Service to obtain benefits from the graduates, but not so unreasonably long that prospective trainees might be reluctant to apply.

In addition to the rank and active duty criteria, it is important to partially adjudge applicants on the basis of their academic or experiential background, their professional character as evidenced in individual fitness or evaluation reports, and their estimated growth potential. An officer need not have prior education in business in order to become an effective comptroller. It may be a bit more difficult for that man than for the college graduate with a Business Administration background, but it is not absolutely essential. Experience and personal desire frequently compensate for deficiencies in academic backgrounds.

Fitness or evaluation reports must be reviewed in detail before selecting prospective trainees. It would be extremely wasteful to select officers who have exhibited traits which are diametrically opposed to those necessary for comptroller-type duties. Mature judgment, initiative, co-operativeness, forcefulness, and command presence are all useful personal qualities desired in military comptrollers. If an officer's record does not stand up under close analysis, he should not be selected for such an assignment, regardless of his personal desires or prior academic background.

The comptrollers of today may become the commanders of tomorrow. They should be selected discretely.

CHAPTER VI

CONCLUSIONS

With the passage of Law 216 on 10 August 1949, there was established for the first time a legal requirement for military comptrollership. Not only was a comptroller billet made mandatory at the Department of Defense level but the Secretaries of each of the three military departments were also directed to appoint a department comptroller and a deputy comptroller—one to be civilian and the other military. This law culminated efforts of the federal government to more effectively organize and control financial management in the entire military establishment.

That the individual departments disagree somewhat in their ideas of top level organization for matters of a financial nature is evidenced by the fact that the Navy Comptroller is traditionally a civilian while the Army and Air Force Comptrollers are General officers. All three departments are complying with the stated provisions of Public Law 216 and there has been no movement to interfere with their unique desires in regard to this matter.

In addition to the differences in the organization of comptrollership at the top departmental levels, the Services also vary in their concepts of the role of comptrollership within their particular department. Only the Air Force has seen fit to consider this to be a suitable "career field." It is possible for an Air Force officer to enter on active duty and, without ever leaving this specialty field, advance through the various ranks

to become Comptroller of the Air Force, currently a Lt. General's billet. The Army, Navy and Marine Corps are of the opinion that comptrollers can better serve their intended purpose of assisting commanders in the proper utilization of available resources if they have had the opportunity for experience in becoming intimately familiar with a wide range of staff, administrative and tactical situations. Furthermore, the creation of a specialist corps of comptrollers who remain in this specific field throughout their professional military career is an impossibility under existing policies. Here, then, is the "specialist" concept of comptrollership existing in one Service and the "generalist" concept prevailing in the other three.

There is a general agreement of all concerned that certain basic knowledge should be imparted to officers during their postgraduate education for comptrollership duties. For example, a sound grasp of basic management principles, the development of an ability to analyze and reconstruct problems, an improvement of communicative abilities and the capability to impartially recommend resource utilization in the best interest of the entire command and not in the sole interest of a particular organization or activity subordinate to the command.

It is further agreed that such subjects as accounting, automatic data processing, economics and general business administration should receive attention in all graduate level curricula. But the extent to which these various subjects are explored varies considerably. Whereas the Air Force emphasizes the accounting and automatic data processing functions, the Army and Navy devote more time and effort towards developing a comprehensive understanding of general management principles, with the Navy stressing financial management per se to a greater extent than the Army does.

As can readily be seen, the curriculum in-being for each department is directly related to the basic concept of that department in regard to the role of comptrollership within the organizational structure. Each emphasizes the academic subjects which will contribute most towards producing a graduate with the talents especially desired by his Service.

The injection of field trips and guest speakers has proved to be of value in the educational process, contributing to a better understanding of the practical application of academic theories and providing welcome diversions from daily classroom routine.

The requirement for a written thesis is debatable. Two of the three universities concerned do not require this type of concentrated research reporting. Whether it should be included in a program or not is dependent on (1) the prevailing attitudes of those responsible for planning the overall curriculum, and (2) the rigidity of the university policy on requirements for graduation.

The educational program should be conducted at a site where the "best product for the money" can be obtained. This may be at a university or at a military installation. All relevant factors would have to be examined thoroughly before a final decision could be justified with convincing evidence. The awarding of an advanced degree is considered a very worthwhile supplement to the educational process. It enhances the prestige of the Service concerned and gives due recognition to the students' efforts to improve their academic and professional knowledge.

Directors of approved programs should not be encumbered with additional duties that might diminish their effectiveness as supervisors and

counselors. A background in military comptrollership would be of assistance although not mandatory. The director should be provided with clear-cut guidelines in regard to the type of graduate he is expected to produce as a result of his program.

Students should be selected on the basis of years of active duty completed, rank, personal desire, academic or professional background, growth potential, and fitness report evaluations. One of the greatest contributions to be made by comptrollers is their uncompromising insistence on responsible selection of the officers who will some day inevitably replace those now serving in comptroller billets.

CHAPTER VII

PROPOSALS FOR IMPROVEMENT

It would be presumptuous on the part of the author to attempt to offer any suggestions on means of improving the Army or Air Force post-graduate programs now existing. However, having completed approximately 90% of the program currently in force for Navy and Marine Corps officers, and having had the opportunity to review and compare the curricula of all three military departments, there have formed in the author's mind some constructive suggestions which may possibly be worthy of attention and evaluation by all the Services.

Reporting and Orientation

Inasmuch as the great majority of officers selected for this schooling are married and have children of school age, it would be advisable, and considerate, to delay commencing classes until approximately 15 July. This consideration would permit the children to complete their current school term (usually by 10 June), and allow a reasonable period of time for travel to the educational site and location of suitable family living quarters. Anyone who has been in the Service is fully aware that getting the family established in a new home is one of the major problems accompanying transfers to new duty stations. No officer should be expected to devote his full attention to academic pursuits unless he has been allowed a reasonable amount of time to care for the housing needs of his family.

Once the initial term commences, the students should be given a series of thorough orientation lectures. Such elements as the objectives of the course, how the various subjects mesh together to accomplish the objectives, university policies and a calendar of events for the full academic period should be covered in detail. Previous graduates of the course could be used to advantage to answer the multitude of queries which incoming officer-students invariably have concerning such things as academic administrative procedures, recommended sources for research material, cultural facilities of the area, preferable traffic routes to and from work, and policies regarding uniform or civilian attire.

Guest Speakers

Guest speakers are eagerly anticipated by the student body. However, they should not be scheduled so frequently that their appearance loses some of its appeal. One speaker every second week would give a total of about twenty to twenty-five per year when vacation periods are excluded. This would be a reasonable number and the students would look forward to their appearances considerably more than if they were scheduled at more frequent intervals. In addition, it should be borne in mind that the "working levels" of command will be where the majority of the students are transferred after completion of the program; therefore, speakers from those levels will probably be appreciated as much as or more than those who represent only the top levels of command.

An equitable "mix" of speakers should be scheduled; Those from private enterprise can be intermingled with military personnel and civilian

government officials. Each will give a particular flavor to the recipe and the students will benefit by receiving ideas from several sources.

Thesis

If a thesis remains a requirement in the Navy program, it would be advantageous to the Navy and Marine Corps for their respective comptrollers to submit annually to the director of the program a list of subjects which they feel are worthy of research. The list could be brought to the attention of the students for their voluntary selection, or rejection, as thesis subjects. By selecting one of these topics, the students would realize that they were assisting their headquarters in solving a relatively important problem of the moment.

Thought may be given to modifying the thesis requirement to a series of shorter research efforts which would serve to enlarge the perspective of the officer-student in the broad area of financial management.

Military Monitorship

The military office designated as the "sponsor" of the program should make every effort to assist the director in attaining the objectives established as goals. It is only through the cooperative efforts of both that success can be attained. The director must be given wide latitude to permit a flexible program but he should not be permitted to venture beyond certain agreed-upon limits.

It should not be considered as "restrictive" if the sponsoring office occasionally sends representatives to the classroom to sit-in on a class. Especially would such a procedure be in order if criticism of

certain courses were received by official or unofficial channels. Such a step may give the instructor cause to reappraise his classroom presentation.

Although the Senior Officer of the class is the ranking member present, his official function is primarily one of liaison. His actual authority is limited to that of any officer of his same rank. For this reason, it would be well for the sponsoring office to serve as intermediary in any conflict of interests between the students and the educational institution presenting the program.

Textbooks

It is the prerogative of the instructor to select the text for his class. However, such selection should be based upon logical requirements. If there are textbooks (purchased by the military department concerned) available from preceding classes, and they vary only slightly from the one selected by the instructor, every consideration should be given to continue using the texts already purchased and available for class use.

There should be no attempt to decrease the quality of instruction material by use of second-rate textbooks. But instructors should be disciplined to realize that their every desire in regard to such matters will not necessarily be honored.

Students should be encouraged to purchase copies of assigned texts for formation of their personal professional libraries for later use.

Curriculum Modifications

Field trips are educational as well as diversionary. Two such trips are believed to be justified—one during the fall and another during

the spring semester. A reasonable maximum distance would be approximately two hundred fifty miles from the educational site. Three days' absence from base might be considered as the maximum allowable for field trip purposes. Government transportation should be utilized, if practicable.

Courses which have no direct application to military comptrollership should be carefully examined in order to determine whether their supplemental benefits are more worthy than those which other courses might offer. They cannot be justified as being necessary for "background" purposes, if courses which are directly related to the field of military comptrollership are sacrificed to allow for their being included in the curriculum. In this regard, it should be periodically emphasized that this is a course to educate officers in a military sub-specialty; it is not one designed to prepare officers to pursue a retirement civilian career immediately upon completing their obligational contract to their Service. Although such subjects as Marketing (purchaser-distributor-consumer relationships), Managerial Accounting (study of corporation financial statements), and Financial Management (corporation financing) may be of personal interest and some background value for the students, would not the primary objectives of the program be better fulfilled by replacing them with such courses as Military Economics, Weapons Systems Cost Analysis, and Managerial Mathematics?

<u>In-House Facility</u>

Should the time arrive that the Office of the Secretary of Defense makes a decision to the effect that the various university facilities for educating comptrollers will be replaced by a single military establishment

site, it is the author's opinion that Fort Belvoir, Virginia, would offer maximum potential for such a site selection. It has served for many years as the home of the Army Management School, a field closely related to financial management. Officers from all Services normally attend this School; hence the administrative procedures would not be entirely foreign if Army, Navy, Marine Corps, and Air Force officers were enrolled as students. Civilian housing facilities in the area within easy driving distance to the reservation are entirely adequate. The Washington, D. C. military and government headquarters are near enough to eliminate major problems concerned with student official research activities and the availability of high-level guest speakers. Andrews Air Force Base, Quantico Marine Corps Air Station, and Davidson Army Airfield are available to meet flying proficiency requirements. Commissary, exchange, library, and medical facilities are all average or better.

Authorization would have to be obtained for awarding a master's degree but the Navy's Monterey Postgraduate School and the Air Force Institute of Technology have both been granted such authorization. If the already well-qualified and competent faculty at Fort Belvoir were further supplemented with civilian professors, it is entirely feasible that they, too, could receive legal sanction to award such a degree.

Prior to the issuance of a directive at the Department of Defense level to the effect that an in-house facility would be established for educating military comptrollers, the following factors should be carefully examined:

(1) Will the total long-term costs per student be less at a military site or at an established university?

(2) Will the instructors at a military site have the "academic freedom" which prevails at a university and which is so important to the educational process?

(3) Are classroom and library facilities adequate?

(4) Are well-qualified and well-educated instructors available to present the program?

If the answers to these questions indicate that an in-house facility would be advantageous to the government and the taxpayers, the promulgation of such a directive would be justified.

APPENDICES

Appendix		Page
A	The National Security Act Amendments of 1949 (Public Law 216, 81st Congress) Approved August 10, 1949	57
B	Army Comptrollership School Curriculum (18 June 1963 - 30 July 1964)	66
C	Navy Graduate Financial Management Program Curriculum (10 June 1963 - 7 June 1964)	70
D	Air Force Applied Comptroller Course Curriculum (5 August 1963 - 4 September 1964)	74

APPENDIX A

THE NATIONAL SECURITY ACT

AMENDMENTS OF 1949

(Public Law 216, 81st Congress, approved August 10, 1949)

TITLE IV

PROMOTION OF ECONOMY AND EFFICIENCY THROUGH ESTABLISHMENT OF UNIFORM BUDGETARY AND FISCAL PROCEDURES AND ORGANIZATIONS

Comptroller of Department of Defense

Sec. 401. (a) There is hereby established in the Department of Defense the Comptroller of the Department of Defense, who shall be one of the Assistant Secretaries of Defense.

(b) The Comptroller shall advise and assist the Secretary of Defense in performing such budgetary and fiscal functions as may be required to carry out the powers conferred upon the Secretary of Defense by this Act, including but not limited to those specified in this subsection. Subject to the authority, direction, and control of the Secretary of Defense, the Comptroller shall--

(1) supervise and direct the preparation of the budget estimates of the Department of Defense; and

(2) establish, and supervise the execution of--

(A) principles, policies, and procedures to be followed in connection with organizational and administrative matters relating to--

(i) the preparation and execution of the budget,

(ii) fiscal, cost, operating, and capital property accounting,

(iii) progress and statistical reporting,

(iv) internal audit, and

(B) policies and procedures relating to the expenditure and collection of funds administered by the Department of Defense; and

(3) establish uniform terminologies, classifications, and procedures in all such matters.

MILITARY DEPARTMENT BUDGET AND FISCAL ORGANIZATION--
DEPARTMENTAL COMPTROLLERS

Sec. 402. (a) The Secretary of each military department, subject to the authority, direction, and control of the Secretary of Defense, shall cause budgeting, accounting, progress and statistical reporting, internal audit and administrative organization structure and managerial procedures relating thereto in the department of which he is the head to be organized and conducted in a manner consistent with the operations of the Office of the Comptroller of the Department of Defense.

(b) There is hereby established in each of the three military departments a Comptroller of the Army, a Comptroller of the Navy, or a Comptroller of the Air Force, as appropriate in the department concerned. There shall, in each military department, also be a Deputy Comptroller. Subject to the authority of the respective departmental secretaries, the comptrollers of the military departments shall be responsible for all budgeting, accounting, progress and statistical reporting, and internal audit in their respective departments and for the administrative organization structure and managerial procedures relating thereto. The Secretaries of the military departments may, in their discretion, appoint either civilian or military personnel as comptrollers of the military departments. Departmental comptrollers shall be under the direction and supervision of, and directly responsible to, either the Secretary, the Under Secretary, or an Assistant Secretary of the respective military departments; Provided, That nothing herein shall preclude the comptroller from having concurrent responsibility to a Chief of Staff or a Chief of Naval Operations, a Vice Chief of Staff or a Vice Chief of Naval Operations, or a Deputy Chief of Staff or a Deputy Chief of Naval Operations, if the Secretary of the military department concerned shall so prescribe. Where the departmental comptroller is not a civilian, the Secretary of the department concerned shall appoint a civilian as Deputy Comptroller.

PERFORMANCE BUDGET

Sec. 403. (a) The budget estimates of the Department of Defense shall be prepared, presented, and justified, where practicable, and authorized programs shall be administered, in such form and manner as the Secretary of Defense, subject to the authority and direction of the President, may determine, so as to account for, and report, the cost of performance of readily identifiable functional programs and activities, with segregation of operating and capital programs. So far as practicable, the budget estimates and authorized programs of the military departments shall be set forth in readily comparable form and shall follow a uniform pattern.

(b) In order to expedite the conversion from present budget and accounting methods to the cost-of-performance method prescribed in this title, the Secretary of each military department, with the approval of the President and the Secretary of Defense, is authorized and directed, until the end of the second year following the date of enactment of this Act, to make such transfers and adjustments within the military department of which he is the head between appropriations available for obligation by such department in such manner as he deems necessary to cause the obligation and administration of funds and the reports of expenditures to reflect the cost of performance of such programs and activities. Reports of transfers and adjustments made pursuant to the authority of this subsection shall be made currently by the Secretary of Defense to the President and the Congress.

OBLIGATION OF APPROPRIATIONS

Sec. 404. In order to prevent overdrafts and deficiences in any fiscal year for which appropriations are made, on and after the beginning of the next fiscal year following the date of enactment of this Act, appropriations made to the Department of Defense or to the military departments, and reimbursements thereto, shall be available for obligation and expenditure only after the Secretary of Defense shall approve scheduled rates of obligation, or modifications thereof: Provided, That nothing in this section shall affect the right of the Department of Defense to incur such deficiences as may be now or hereafter authorized by law to be incurred.

WORKING-CAPITAL FUNDS

Sec. 405. (a) In order more effectively to control and account for the cost of programs and work performed in the Department of Defense, the Secretary of Defense is authorized to require the establishment of working-capital funds in the Department of Defense for the purpose of--

(1) financing inventories of such stores, supplies, materials, and equipment as he may designate; and

(2) providing working capital for such industrial-type activities, and for such commercial-type activities as provide common services within or among the departments and agencies of the Department of Defense, as he may designate.

(b) The Secretary of the Treasury is authorized and directed to establish on the books of the Treasury Department at the request of the Secretary of Defense the working-capital funds established pursuant to the authority of this section.

(c) Such funds shall be--

(1) charged, when appropriate, with the cost of stores, supplies, materials, and equipment procured or otherwise acquired, manufactured, repaired, issued, and consumed and of services rendered or work performed, including applicable administrative expenses; and

(2) reimbursed from available appropriations or otherwise credited for the cost of stores, supplies, materials, or equipment furnished and of services rendered or work performed, including applicable administrative expenses.

Reports of the condition and operations of such funds shall be made annually to the President and to the Congress.

(d) The Secretary of Defense is authorized to provide capital for such working-capital funds by capitalizing inventories on hand and, with the approval of the President, by transfer, until December 31, 1954, from unexpended balances of any appropriations of the military departments not carried to the surplus fund of the Treasury: Provided, That no deficiency shall be incurred in any such appropriation as a result of any such transfer.

To the extent that such methods do not, in the determination of the Secretary of Defense, provide adequate amounts of working capital, there is hereby authorized to be appropriated, out of any moneys in the Treasury not appropriated for other purposes, such sums as may be necessary to provide adequate working capital.

(e) Subject to the authority and direction of the Secretary of Defense, the Secretaries of the military departments shall allocate responsibility within their respective military departments for the execution of functions which each military department is authorized by law to perform in such a manner as to effect the most economical and efficient organization and operation of the activities and use of the inventories for which working-capital funds are authorized by this section.

(f) No greater cost shall be incurred by the requisitioning agency for stores, supplies, materials, or equipment drawn from inventories, and for services rendered or work performed by the industrial-type or commercial-type activities for which working-capital funds are authorized by this section, than the amount of appropriations or funds available for such purposes.

(g) The Secretary of Defense is authorized to issue regulations to govern the operation of activities and use of inventories authorized by this section, which regulations may, whenever he determines the measures set forth in this subsection to be required by the needs of the Department of Defense, and when such measures are authorized by law, permit stores, supplies materials, and equipment to be sold to, and services to be rendered or work performed for, purchasers or users outside the Department of Defense. In such cases, the working-capital funds involved may be reimbursed by charges against appropriate appropriations or by payments received in cash.

(h) The appraised value of all stores, supplies, materials, and equipment returned to such working-capital funds from any department, activity, or agency, may be charged to the working-capital fund concerned and the proceeds thereof shall be credited to the current appropriations concerned; the amounts so credited shall be available for expenditures for the same purposes as the appropriations credited: Provided, That the provisions of this subsection shall not permit credits to appropriations as the result of capitalization of inventories authorized by subsection (d) of this section.

MANAGEMENT FUNDS

Sec. 406. The Act of July 3, 1942 (56 Stat. 645, c. 484), as amended, is hereby further amended to read as follows:

(a) For the purpose of facilitating the economical and efficient conduct of operations in the Department of Defense which are financed by two or more appropriations where the costs of the operations are not susceptible of immediate distribution as charges to such appropriations, there are hereby established the Navy Management Fund, the Army Management Fund, and the Air Force Management Fund, each within, and under the direction of the respective Secretaries, of, the Departments of the Navy, Army, or Air Force, as the case may be. There are authorized to be appropriated from time to time such funds as may be necessary to accomplish the purposes of the funds.

(b) The corpus of the Navy Management Fund shall consist of the sum of $1,000,000 heretofore transferred to the Naval Procurement Fund from the Naval Emergency Fund (17X0300), which amount, and all balances in, and obligations against, any accounts in the Naval Procurement Fund, are hereby transferred to the Navy Management Fund; the corpus of the Army Management Fund shall consist of the sum of $1,000,000, which shall be transferred thereto from any unobligated balance of any appropriation available to the Department of the Army; the corpus of the Air Force Management Fund shall consist of the sum of $1,000,000, which shall be transferred thereto from any unobligated balance of any appropriation available to the Department of the Air Force; in each case together with such additional funds as may from time to time be appropriated to any of said funds. Accounts for the individual operations to be financed under the respective management funds shall be established only upon approval by the Secretary of Defense.

(c) Expenditures may be made from said management funds from time to time for material (other than material for stock) and for personal and contractual services under such regulations as may be prescribed by the Secretary of Defense: Provided,

(1) That no obligation shall be incurred against any such fund which is not properly chargeable to available funds under an appropriation

of the department within which the fund is established, or whenever necessary to effectuate purposes authorized by this Act to funds of another department or agency within the Department of Defense, and

(2) that each fund shall be promptly reimbursed from the appropriate appropriations of such department for all expenditures properly chargeable thereto. Nothing herein or in any other provision of law shall be construed to prevent advances by check or warrant, or reimbursements to any of said management funds from appropriations of said departments on the basis of the estimated cost of a project, such estimated cost to be revised and necessary appropriation adjustments made when adequate data become available.

(d) Except as otherwise provided by law, amounts advanced to the management funds under the provisions of this Act shall be available for obligation only during the fiscal year in which they are advanced: Provided, That nothing contained in this Act shall alter or limit the authorized period of availability of the funds from which such advances are made. Final adjustments of advances in accordance with actual costs shall be effected with the appropriated funds for the fiscal year in which such funds are advanced.

(e) The portion of the Naval Appropriation Act, 1945 (58 Stat. 301, 310), relating to the Naval Procurement Fund is hereby repealed.

ADJUSTMENT OF ACCOUNTS

Sec. 407. When under authority of law a function or an activity is transferred or assigned from one department or agency within the Department of Defense to another such department or agency, the balances of appropriations which are determined by the Secretary of Defense to be available and necessary to finance or discharge the function or activity so transferred or assigned may, with the approval of the President, be transferred to, and be available for use by, the department or agency to which said function or activity is transferred or assigned for any purpose for which said funds were originally available. Balances so transferred shall be credited to any applicable existing appropriation account or accounts, or to any new appropriation account or accounts, which are hereby authorized to be established on the books of the Treasury Department, of the department or organization

to which such function or activity is transferred, and shall be merged with funds in the applicable existing or newly established appropriation account or accounts and thereafter accounted for as one fund. Balances transferred to existing accounts shall be subject only to such limitations as are specifically applicable to such accounts and those transferred to new accounts shall be subject only to such limitations as are applicable to the appropriations from which they were transferred.

(b) The number of employees which in the opinion of the Secretary of Defense is required for such transferred functions or activities may, with the approval of the Director of the Budget, be deducted from any personnel maximum or limitation of the department or agency within the Department of Defense from which such function or activity is transferred, and added to any such personnel maximum or limitation of the department or agency to which such function or activity is transferred.

AVAILABILITY OF REIMBURSEMENTS

Sec. 408. To carry out the purpose of this Act, reimbursements made under the authority of the Economy Act (31 U.S.C. 686), and sums paid by or on behalf of personnel of any department or organization for services rendered or supplies furnished, may be credited to authorized replacing or other accounts. Funds credited to such accounts shall remain available for obligation for the same period as the funds in the account so credited and each such account shall constitute one fund on the books of the Treasury Department.

COMMON USE OF DISBURSING FACILITIES

Sec. 409. To the extent authorized by the Secretary of Defense, disbursing officers of the Departments of the Army, Navy, and Air Force may, out of accounts of advances available to them, make disbursements covering obligations arising in connection with any function or activity of any other department or organization within the Department of Defense and charge upon vouchers the proper appropriation or appropriations of the other department or organization: Provided, That all said expenditures shall subsequently be adjusted in settlement of disbursing officers' accounts.

REPORTS OF PROPERTY

Sec. 410. The Secretary of Defense shall cause property records to be maintained in the three military departments so far as practicable, on both a quantitative and monetary basis, under regulations which he shall prescribe. Such property records shall include the fixed property, installations, and major items of equipment as well as the supplies, materials, and equipment held in store by the armed services. The secretary shall report annually thereon to the President and the Congress.

REPEALING AND SAVING PROVISIONS

Sec. 411. All laws, orders, and regulations inconsistent with the provisions of this title are repealed insofar as they are inconsistent with the powers, duties, and responsibilities enacted hereby: Provided, That the powers, duties, and responsibilities of the Secretary of Defense under this title shall be administered in conformance with the policy and requirements for administration of budgetary and fiscal matters in the Government generally, including accounting and financial reporting, and that nothing in this title shall be construed as eliminating or modifying the powers, duties, and responsibilities of any other department, agency, or officer of the Government in connection with such matters, but no such department, agency, or officer shall exercise any such powers, duties, or responsibilities in a manner that will render ineffective the provisions of this title.

APPENDIX B

University of Syracuse

Army Comptrollership School

Curriculum[1]

(1963 - 1964)

Summer Session

(18 June - 13 September 1963)

Course	Hours Credit
Accounting 299, Basic Accounting	3
Marketing 299, Basic Marketing (and Purchasing)	3
Finance 299, Basic Finance	3
Production Management 299, Basic Production	3
Economics 199 aG Issues and Ideas	3
Economics 199 bG Issues and Ideas	3

NOTE: All of the courses bearing the "299" designation are introductory courses in the subjects indicated. They are the courses that the College of Business Administration offers to newly enrolled graduate students who have not previously completed prerequisites for graduate study in the business area. As such, they are relatively concentrated editions of the basic courses given to undergraduates in a 36-hour "core" program.

---

[1]Office, Comptroller of the Army. Appraisal of Curriculum of the Army Comptrollership School, Syracuse University. March, 1964.

Fall Semester

(16 September 1963 - 22 January 1964)

Course	Hours Credit
Accounting 312 (Accounting and Auditing) Accounting and auditing principles as tools of administration with emphasis upon Army administration at various levels.	3
Business Statistics 301 (Military Data Analysis) Tools of statistical analysis applied to specific problems that the comptroller is called upon to solve.	3
Political Science 333a (Organization and Management) Problems of administrative management with particular reference to the Army establishment.	3
Business Administration 360 (Human Relations) The need for recognizing the human equation wherever administrators attempt to achieve desired results within a business organization.	3
Business and Public Administration 388 (Seminar) Specific tools used by Army comptrollers are analyzed. Typical are: Progress Reporting, Fiscal and Property Accounting, Revolving Funds, and Financial Property Accounting.	3

Spring Semester

(31 January 1964 - 3 June 1964)

Course	Hours Credit
Political Science 334 (Budgeting)	3

Problems of budget preparation, review and execution at the national level. Particular attention is given to Army budget problems.

Political Science 333b (Organization and Management)	3

Continuation of the Political Science 333a course begun in the fall semester.

Political Science 239 (Advanced Public Administration)	3

Problems in effective public administration, especially in the area of executive-legislative relations. Military-civilian relationships are also analyzed.

Accounting 225 (Electronic Data Processing)	3

Application of electronic data processing systems to the solution of business problems. Case studies and experimental laboratory applications in the Data Processing Center are the bases of study.

Business and Public Administration 389 (Seminar)	3

Problems of administration confronting comptrollers. Cooper Report on Accounting and Financial Management; Program and Budget Management.

Summer Semester

(8 June - 30 July 1964)

Course	Hours Credit
Business Administration 302 (Administrative Policy)	3

Problems of alternative policy formulation and administration are analyzed from the standpoint of "top" administration.

Accounting 318 (Army Command Management System)	2

The Army's Financial Management Plan culminates in the integration of its programming, budgeting and accounting systems as the final step precedent to cost budgeting.

Business and Public Administration 390 (Seminar)	3

Policy problems confronting the comptroller are investigated. Scope of the comptroller's activities. Existing Army business practices are examined critically.

APPENDIX C

The George Washington University

Navy Graduate Financial Management Program

Curriculum

(1963 - 1964)

Summer Session

(10 June - 13 September 1963)

Course	Hours Credit
ACCT 3 (General Accounting)	3
Basic accounting principles. Analysis of single proprietorships and corporation accounting data.	
BPA 207 (Human Relations in Administration)	3
Individual, group, intergroup and other human behavior patterns. Discussion of case histories.	
ECON 195 (Industrial and Governmental Economics)	3
Review and analysis of economic theory. National income determinants. Fiscal and monetary policy.	

Course	Hours Credit
STAT 119 (Statistical Decision-Making)	3
Uses of statistics under conditions of uncertainty. Methods and formulae applicability.	
BA 269 (Readings and Conferences in Financial Management)	3

Fall Semester

(23 September 1963 - 17 January 1964)

ACCT 211 (Managerial Accounting)	3
Analysis of corporation financial statements. Influence of price level changes on accounting data.	
BA 218 (Survey of Data Processing)	3
Management problems associated with installation and utilization of data processing systems.	

Course	Hours Credit
BA 263 (Business Organization and Management)	3
Survey of the history and development of business organization and management. Current trends in organization structure.	
BA 193 (Management Communications)	3
Survey of communication problems, Style, formats, oral and written presentations; group discussions.	
FA 251 (Governmental Budgeting)	3
Principles and practices of federal budgeting and applications to the Navy Department. Budgetary procedures.	
BA 295 (Research Seminar in Comptrollership)	3
Discussion of comptrollership by guest speakers representing major American businesses and government.	

Data Processing Seminar
(20 January - 23 January 1964)

Four-day working seminar with representatives of a major data processing corporation.	0

Spring Semester

(3 February - 7 June 1964)

Course	Hours Credit
ACCT 204 (Cost Accounting)	2
Industrial cost accounting procedures. Special emphasis on use of cost data by management.	
ACCT 278 (Internal Control and Auditing)	3
Auditing functions as they pertain to private industry and the Navy Department. GAO functions.	
BA 235 (Financial Management)	3
Methods and sources of obtaining capital for private corporations. Management of working capital.	
BA 241 (Advanced Marketing Management)	3
Product distribution, advertising, sales promotion and pricing. Development of marketing policies.	
BA 264 (Management Engineering)	3
Initiation and implementation of systematic programs with emphasis on work measurement and simplification.	
BA 294 (Research Seminar - Thesis)	3
Individual research on a financial and/or management problem and a written report thereon.	

APPENDIX D

Michigan State University

Air Force Applied Comptrollership Course

Curriculum[1]

(1963 - 1964)

Summer Session

(5 August - 13 September 1963)

Course	Hours Credit
Accounting, Review	0
Mathematics, Review	0

First Quarter

(23 September - 13 December 1963)

AFA 800 (Contemporary Accounting Theory I)	3

Evaluation of accounting concepts and standards, Assets and their relation to income determination.

MTA 802 (Administrative Research Methods)	3

Research as a basis for policy building, planning, control and operation of the business enterprise.

---

[1] Michigan State University. Personal correspondence from Professor Gardner M. Jones, Director, Air Force Comptrollership School. 23 February 1964 (enclosure).

Course	Hours Credit
MTA 805 (Administration: Theory and Action I) Administration in relation to the external environment of the business.	3
AFA 840 (Administrative Control) Basic concepts of a control system; managerial budgeting and uses of financial data.	3

Second Quarter

(6 January - 21 March 1964)

AFA 801 (Contemporary Accounting Theory II) Equities and their relation to income determination.	3
AFA 817 (Management Programming and Control) Application of quantitative techniques to the administrative decision-making process in business.	3
AFA 804 (Contemporary Auditing Developments) Cases in auditing involving Air Force and General Accounting Office.	3
MGT 816 (Quantitative Models for Production Admin.)	3

Third Quarter

(30 March - 14 June 1964)

Course	Hours Credit
AFA 899 (Fiscal Policy in Federal Government) Emphasis on Air Force Comptroller organization.	3
EC 860 (Economics of the Firm) Problems facing management of firms. Optimum pricing, product-mix and marketing techniques.	3
MGT 806 (Administration: Theory and Action II) Concepts of effective organization. Business administration general theory. Business decisions.	3
AFA 917 (Advanced Management Programming and Control) Advanced estimating and sampling techniques.	3

Fourth Quarter

(22 June - 4 September 1964)

AFA 814 (Advanced Cost Accounting) Direct costing, break-even analysis, estimated costs, distribution of costs.	3

Course	Hours Credit
AFA 813 (Budgeting and Cost Analysis)	3
Readings in budgeting and cost analysis applicable to product and period costs, inventories and planning.	
MGT 807 (Administrative Policy)	3
A terminal, integrative course using multisided cases in administration.	
EC 861 (American Economy)	3
Determinants of national income, employment and capital formation. Fiscal and monetary policy.	

BIBLIOGRAPHY

Public Documents

The Constitution of the United States.

Department of the Army. Army Regulation 611-101.

U.S. Bureau of Naval Personnel. Financial Management in the Navy. NAVPERS 10792-A, Second Edition, 23 March 1962.

United States Government Printing Office. Federal Register. Volume 5, August 15, 1940.

U.S. Senate, Committee on Government Operations. Financial Management in the Federal Government. Document Number 11, 87th Cong., 1st Sess., 13 February 1961.

Reports

Department of the Army. Concept and Scope of the Comptroller Function in the Army. 1 May 1963.

_____. Study Synopsis (Comptrollership). 12 July 1961.

_____. U. S. Army Finance School; Military Comptrollership Course Descriptive Brochure for Fiscal Year 1964. July 1963.

Department of the Navy. Ad Hoc Committee Report to Chief of Naval Personnel on Naval Officer Education. 17 July 1959.

_____. Financial Management Study: Vol. 11, Study 7 of 7 Studies. (NAVXOS P 2426 B-7), 26 October 1962.

Office of Assistant Secretary of Defense (Comptroller). Study of Education and Training in Comptrollership in the Department of Defense. 30 November 1962.

Office, Comptroller of the Army. Appraisal of Curriculum of the Army Comptrollership School, Syracuse University. March 1964.

Office of the Secretary of Defense. Study of Management Education and Training Within the Armed Forces: Part 111, General Long Course Task Group Report. 8 February 1963.

U. S. Air Force. Air Force Manual 36-1 (Officer Classification Manual), 15 April 1963.

_____. Air Force Pamphlet 36-1-2 (Officer Career Fact Book), 15 July 1963.

_____. Qualitative Educational Requirements for Comptroller Career Area. Air Force Educational Requirements Board, Maxwell Air Force Base, Alabama. 10 May 1962.

Articles and Periodicals

Decker, George H., General, USA (Ret.) "Accomplishments in Army Management," The Armed Forces Comptroller, Vol. VII, Number 4 (December, 1962), 13 ff.

_____. "Costing Strategy," The Armed Forces Management, Vol. 9, Number 12 (September, 1963), 36 ff.

Gunz, Donald G., Captain, USN. "The Bureau of the Budget and Defense Fiscal Policy," United States Naval Institute Proceedings, Vol. 85, Number 4 (April, 1959), 80 ff.

Hitch, Charles J. "Pentagon Profile - Defense Comptroller, Charles J. Hitch," Armed Forces Management, Vol. 7, Number 11 (August, 1961), 34 ff.

_____. "Programmer to Bridge Defense Plans Gap," Armed Forces Management, Vol. 7, Number 7 (April, 1961), 46 ff.

Murphy, Charles J. V. "The Education of a Defense Secretary," Fortune, Vol. LXV, Number 5 (May, 1962), 102 ff.

_____. "How the Pentagon's Power Structure is Changing," National Observer (20 May 1963), 5 ff.

Novick, David. "Military Comptrollership in Defense Management," The Armed Forces Comptroller, Vol VI, Number 4 (December, 1961), 29 ff.

Roderick, George H. How Managers Can Do Better," Armed Forces Management, Vol. 7, Number 5 (February, 1961), 44 ff.

Small, Arthur C., Colonel, U.S.A. "Comptrollership Training at the Army Finance School," The Armed Forces Comptroller, Vol. VII, Number 3 (September, 1962), 15 ff.

Wright, James F. "Tower Building - The Marine Corps Way," The Armed Forces Comptroller, Vol. VII, Number 3 (September, 1962), 15 ff.

Personal Interviews

Antrim, Ralph C., Jr., Major, USA. Office of the Comptroller of the Army; Management Practices Division.

Bowman, J. A., Colonel, USA. Office of Secretary of Defense, Deputy Assistant Secretary (Education), Director of Educational Programs.

Cereghino, A. D., Colonel, USMC. Joint Chiefs of Staff, Directorate J-1 (Personnel).

George, E. P., Lt. Colonel, USAF. Office of the Comptroller of the Air Force, Assistant to the Comptroller.

Holland, Dan C., Lt. Colonel, USMC. Chief of Naval Operations, Aviation Plans Division, Program Management (Budget).

Knight, O. T., Captain, USN. Office of the Secretary of Defense, Deputy Assistant Secretary (Education), Director of Professional Education.

McCabe, John M., Commander, USN. Office of the Comptroller of the Navy, Directorate of Budget and Reports.

Manes, Charles V., Lt. Colonel, USAF. Office of the Comptroller of the Air Force, Requirements Branch.

Marion, John H., Ph.D. Office of the Comptroller of the Army; Director, Management Practices Division

Munnikhuysen, D. Y., Commander, USN. Office of the Comptroller of the Navy, Directorate of Budget and Reports.

Remington, Edgar F., Lt. Colonel, USMC. Headquarters Marine Corps, Deputy Chief of Staff (Air), Training Branch.

White, Harry C., Captain, USN. Chief of Naval Operations, Aviation Plans Division, Program Management (Analysis and Budget).

Other Sources

Bordner, H. W. Memorandum to Mr. W. J. McNeill, Assistant Secretary of Defense (Comptroller), on subject of "Graduate Education and Training for Comptrollership in the Department of Defense," 24 November 1950.

Decker, George, General, USA. Letter to major commanders while serving as Chief of Staff of the Army, 19 October 1961.

Michigan State University. Personal correspondence from Professor Gardner M. Jones, Director, Air Force Comptrollership School, 25 February 1964.

Syracuse University. Personal correspondence from James B. Quill, Major General, USA (Ret), Director, Army Comptrollership School, 17 February 1964.

_____. Resume of the Army Comptrollership School and Calendar of 1964-1965 Program.

U. S. Army Finance School. Hand-out for Course C-310.78:1.

U. S. Marine Corps. Marine Corps Order 5420.2B, 24 August 1962.

UNPUBLISHED MATERIAL

"Briefing for Comptroller of the Army Concerning Establishment of a Comptroller Officer Specialization Program." 6 June 1962.

Johnson, A. Rex. "The Navy Graduate Comptrollership Program." A report delivered to incoming Dean Woodruff of The George Washington University in April 1958.

Wilcox, E. A., USMC, et al. "Financial Management in the Marine Corps: An Evaluation." Group research project of Navy Graduate Financial Management Class, The George Washington University, 1963.

thesH485
Postgraduate education for military comp
3 2768 001 91873 3
DUDLEY KNOX LIBRARY